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## THE COMMISSIONER OF CUSTOMS

December 3, 1982

WASHINGTON, D.C.

Dear Mr. Rath:

Recently I wrote to you outlining the U.S. Customs Service role in the illegal exportation of high technology to the Soviet Union and Communist bloc countries. Since that time, I have received many favorable comments on this program which is known as "Operation Exodus." Customs Special Agents and Inspectors are working diligently to protect our country's vital technological resources. I have committed the Customs Service to this effort which I feel is immensely critical to our national security.

In response to my earlier letter to you, [redacted] of the [redacted] Company sent me a list of tips which he had circulated to his employees. In order to assist you in your efforts to facilitate smooth and rapid clearance of legitimate export shipments, I have modified [redacted] tips somewhat and enclosed them for your reference. It is important to your company that you be aware of proper export requirements. It is also equally important to your country that you be aware of possible attempts to illegally divert sensitive technology.

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"Operation Exodus" has been recognized by the United States Senate, the intelligence community, and the law enforcement community as one of the most significant and encouraging programs to ever be undertaken in the area of illegal technology transfer. This program permits us to maintain an open and free society without the unchecked loss of our valued technological achievements. We at Customs have made great strides on our own but we cannot be successful in this effort without your help.

I am grateful for your past efforts and I look forward to your continued support.

Yours faithfully,

Mr. Robert Rath  
President  
Spang Industries, Inc..  
Box 751  
Butler, Pennsylvania 16001

Enclosure

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You can help our efforts by familiarizing yourself with the following points. Keep these in mind when preparing orders or shipments of technologically sensitive products:

- (a) Identify inquiries and orders for products, parts or technology which are likely to be shipped outside the United States and see that they are handled by personnel experienced in export matters.
- (b) Ensure that corporate personnel are sufficiently knowledgeable about current export regulations and that appropriate screening and license procedures are followed. There are numerous publications by the Department of Commerce; e.g., "Summary of Export Regulations" which can be of assistance to the export community. Many companies also notify a purchaser in writing on both foreign and domestic purchases, advising that a validated license is required for export of a particular item.
- (c) Contact the Exporters' Service Staff, U.S. Department of Commerce, concerning any questions relating to licensing requirements and potential problems; e.g., employees carrying samples and demonstration equipment abroad for trade shows, etc.
- (d) Inform company employees who live abroad or travel internationally about U.S. government restrictions with respect to the movement of high technology out of the United States.
- (e) Reply in a prompt manner to requests by Customs personnel for specifications on items that are being detained for examination. Often licensing determinations can only be made after the appropriate licensing agency (either the Department of Commerce or the Department of State, Office of Munitions Control) receive adequate specifications from the manufacturers.
- (f) An aware business community is an effective tool in export enforcement and can be of great assistance to U.S. Customs. Orders from little or unknown customers with no obvious use for the items or quantities involved, no suitable facilities in which to use them and/or who refuse to identify end-users may indicate an export violation. Firms with foreign words or phrases utilizing such terms as INTERNATIONAL, TRADE, EXPORT, IMPORT OR LTD. may also be a clue that an item is to be exported.

- (g) Inquiries and orders with one or more of the following characteristics may indicate foreign destination, even though purported to be a domestic sale.
- (1) Specification of 230V 50Hz, 115V 50Hz, or unusual power cords, plugs, fuses or powerlines.
  - (2) Requests for illogical options on merchandise.
  - (3) Instructions for special salt spray or humidity packing and/or export marking.
  - (4) Instructions to make direct shipments to trading companies, freight forwarders or export companies.
  - (5) Circuitous routing or routing that is economically illogical, particularly routing through Canada to a non-Canadian end-user.
  - (6) Domestic delivery instructions to companies with no apparent connection to the purchasers.
  - (7) Requests for cubic volumes and/or packaged weights, especially in metric tons.
  - (8) Certification as to country of origin or conformance to international standards.
  - (9) Specifications of terms of payment involving drafts drawn on foreign banks or other special banking requirements.
  - (10) Requests for exemption from state tax, but unwilling to provide state resale identification numbers.
  - (11) Orders placed by firms or individuals from foreign countries other than the end-users.
  - (12) Unusual behavior by customers and unusual or extremely lucrative financial compensation for merchandise to be purchased.

If you suspect a potential violation of U.S. export laws, contact the nearest office of the U.S. Customs Service, Office of Investigations.